

## **Part 7**                      **Light regulation determinations and information requirements**

### **Division 1**                **Making and effect of light regulation determinations**

#### **34**                      **Application for light regulation determination (Section 112(2) of the NGL)**

- (1) An application for a light regulation determination must:
  - (a) be in writing; and
  - (b) identify the pipeline that provides, or is to provide, the services for which the determination is sought and include a reference to a website at which a description of the pipeline can be inspected; and
  - (c) include a description of all pipeline services provided or to be provided by means of the pipeline; and
  - (d) include the applicant's reasons for asserting that the pipeline services should be light regulation services; and
  - (e) include other information and materials on which the applicant relies in support of the application.
  
- (2) The application must also include the following information:
  - (a) the capacity of the pipeline and the extent to which that capacity is currently utilised; and
  - (b) for a transmission pipeline, a description of:
    - (i) all locations *served* by the pipeline (i.e. all locations at which *receipt or delivery points* for natural gas carried by the pipeline exist); and
    - (ii) all pipelines that currently *serve* the same locations; and
    - (iii) all pipelines that currently pass within 100 km of any location *served* by the pipeline; and
  - (c) for a distribution pipeline, a description of:
    - (i) the geographical area *served* by the pipeline; and
    - (ii) the points at which natural gas is, or is to be, injected into the pipeline; and
  - (d) a description of the pipeline services provided, or to be provided, by the pipeline; and

- (e) an indication of any other sources of energy available to consumers of gas from the pipeline; and
- (f) the identity of the parties with an interest in the pipeline and the nature and extent of each interest; and
- (g) a description of the following relationships:
  - (i) any relationship between the owner, operator and controller of the pipeline (or any 2 of them);
  - (ii) any relationship between the owner, operator or controller of the pipeline and a user of pipeline services or a supplier or consumer of gas in a location or geographical area *served* by the pipeline;
  - (iii) any relationship between the owner, operator or controller of the pipeline and the owner, operator or controller of any other pipeline *servicing* any one or more of the same locations or the same geographical area; and
- (h) an estimate of the annual cost to the service provider of regulation on the basis of light regulation and on the basis of full regulation; and
- (i) any other information the applicant considers relevant to the application of the National Gas Objective or the form of regulation factors in the circumstances of the present case.

**35 NCC's decision on the application (Sections 113 and 114 of the NGL)**

- (1) In deciding an application for a light regulation determination, the NCC must:
  - (a) proceed in accordance with the *standard consultative procedure*; and
  - (b) consult with the AER.
- (2) A light regulation determination or a *decision* not to make a light regulation determination must:
  - (a) identify the pipeline, and the pipeline services, to which the determination or *decision* relates; and
  - (b) include a reference to a website at which a description of the pipeline, and the pipeline services, can be inspected; and
  - (c) state the terms of the determination or *decision* and the reasons for it.

## Division 2            Provision of information by light regulation pipelines

### 35A            Definitions and interpretation

(1) In this Division:

**access information standard** is defined in rule 36A.

**application date** means:

- (a) in relation to a pipeline that is a *light regulation pipeline* on the commencement date – the date falling 3 months after the commencement date;
- (b) in relation to a pipeline that becomes a *light regulation pipeline* within 3 months after the commencement date – the date falling 3 months after the commencement date; and
- (c) in relation to any other pipeline, the later of:
  - (i) the date the pipeline is commissioned; and
  - (ii) the date the pipeline becomes a *light regulation pipeline*.

**Note:**

Section 12 of the NGL defines when a pipeline is commissioned.

**business day** means a day that is not a Saturday, Sunday or public holiday in any participating jurisdiction or in relation to a pipeline in Western Australia, that jurisdiction alone.

**commencement date** means 21 March 2019.

**daily flow data** means, for a large distribution pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, injected at each receipt point on the pipeline on a gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, withdrawn at each delivery point on the pipeline on the gas day.

**financial information** means the information required to be published under rule 36D.

**financial reporting guidelines** means the guidelines published by the AER under rule 36F as amended from time to time.

**flow rate** means the rate at which gas flows past a point on a pipeline in an hour, expressed in GJ/hour.

**hourly flow data** means, for a large distribution pipeline:

- (a) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, injected at each receipt point on the pipeline in each hour of the gas day; and
- (b) the quantity of natural gas that is metered as having been, or estimated by the pipeline operator to have been, withdrawn at each delivery point on the pipeline in each hour of the gas day.

**information** includes data.

**large distribution pipeline** means a distribution pipeline or part of a distribution pipeline that has a maximum daily capacity under normal operating conditions of >10TJ/day and a maximum pressure capability under normal operating conditions of >4MPa.

**meter** means a device that measures and records quantities of gas by reference to volume, mass or energy content.

**pipeline information** is defined in rule 36C(2).

**pipeline service information** is defined in rule 36C(3).

**service and access information** is defined in rule 36C.

**service availability information** is defined in rule 36C(5).

**service provider** has the meaning in section 8 of the *NGL*.

**service usage information** is defined in rule 36C(4).

**weighted average price information** is defined in rule 36E.

## **36 Service provider must publish terms and conditions of access to light regulation services**

- (1) A service provider providing pipeline services by means of a *light regulation pipeline* must publish on its website:
  - (a) the prices on offer for light regulation services; and
  - (b) the other terms and conditions of access to those services; and
  - (c) the methodology used to calculate the price referred to in subrule (1)(a) and sufficient information to enable prospective users to understand how that price reflects the application of the methodology.
- (2) If, however, a limited access arrangement is in force and is accessible on the service provider's website, the terms and conditions of access (other than price) need not be separately published on the website.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

**Note:**

This rule is classified as a conduct provision under the National Gas (South Australia) Regulations. See clause 7 and Schedule 4 of the National Gas (South Australia) Regulations.

### **36A Access information standard**

- (1) A service provider required by this Division to prepare, publish and maintain information must do so in accordance with the access information standard.
- (2) The **access information standard** means that the information:
  - (a) is not false or misleading in a material particular;
  - (b) in relation to information of a technical nature, is prepared, published and maintained in accordance with the practices, methods and acts that would reasonably be expected from an experienced and competent person engaged in the ownership, operation or control of a pipeline in Australia acting with all due skill, diligence, prudence and foresight; and
  - (c) in relation to a forecast or estimate, is supported by a statement of the basis of the forecast or estimate and:
    - (i) is arrived at on a reasonable basis; and
    - (ii) represents the best forecast or estimate possible in the circumstances.
- (3) Where a service provider becomes aware that information required to be published by it under this Division does not comply with the access information standard or this Division, the service provider must publish information that does comply as soon as practicable after the service provider becomes aware of the non-compliance.
- (4) Information published under this Division must include the date of publication, the date to which the information is current and, if the information replaces an earlier version as provided for by subrule (3), notice of that fact.

### **36B Service provider must publish information**

- (1) A service provider for a *light regulation pipeline* must prepare, maintain and publish on its website:
  - (a) if the *light regulation pipeline* is a distribution pipeline, the service and access information specified in rule 36C(1)(a) to (d);
  - (b) if the *light regulation pipeline* is a distribution pipeline that is or includes a large distribution pipeline, then in respect of the large distribution pipeline

only, the service and access information specified in rules 36C(1)(d) and 36(1)(e);

- (c) the financial information specified in rule 36D; and
- (d) weighted average price information, subject to rule 36E(3),

in accordance with the *NGL*, this Division and the financial reporting guidelines.

- (2) The information referred to in subrule (1) must be published at the following times

service and access information (for <i>light regulation pipelines</i> that are distribution pipelines only)	pipeline information	No later than 20 business days after the application date for the <i>light regulation pipeline</i> .  Updated pipeline information must be published within 20 business days after there is a change.
	pipeline service information	No later than 20 business days after the application date for the <i>light regulation pipeline</i> .  Updated pipeline service information must be published within 20 business days after a new pipeline service is added or an existing pipeline service changes or is withdrawn.
	service usage information	Each month after the application date for the <i>light regulation pipeline</i> , by the last business day of the month for the prior month.
	service availability information	Each month after the application date for the <i>light regulation pipeline</i> , by the last business day of the month for the next 36 or 12 months as applicable.
financial information		Annually no later than four months after the end of the financial year of the service provider for the <i>light regulation pipeline</i> .
weighted average price information		Annually no later than four months after the end of the financial year of the service

provider for the <i>light regulation pipeline</i> .
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- (3) A service provider for a *light regulation pipeline* must publish the information referred to in subrule (1) by making the information publicly available on the service provider's website.
- (4) When the service provider for a *light regulation pipeline* publishes financial information and weighted average price information, it must notify the AER without delay that the information has been published.
- (5) A service provider for a *light regulation pipeline* must ensure that historical service usage information, financial information and weighted average price information for its *light regulation pipeline* continues to be publicly available for a period of 5 years after the date the information is first published, by publishing the information in accordance with subrule (3).

### **36C Service and access information for distribution pipelines**

- (1) The service and access information comprises:
  - (a) the pipeline information described in subrule (2);
  - (b) the pipeline service information described in subrule (3);
  - (c) the service usage information described in subrule (4)(a);
  - (d) for large distribution pipelines only, the service usage information described in subrule (4)(b); and
  - (e) for large distribution pipelines only, the service availability information described in subrule (5).
- (2) The pipeline information for a pipeline comprises:
  - (a) subject to subrule (6), the quantity of natural gas that can be transported through each gate station on the distribution pipeline in any 24 hour period;
  - (b) the details of all points on the pipeline where the service provider takes delivery of natural gas;
  - (c) a schematic map of the pipeline that shows the location on the pipeline of the points referred to in paragraph (b) and the geographic limits of the areas served by the pipeline;
  - (d) any technical or physical characteristics of the pipeline that may affect access to or use of the pipeline or the price for pipeline services on the pipeline; and

- (e) policies of the service provider that may affect access to or use of the pipeline or the price for pipeline services on the pipeline which may include:
  - (i) queuing requirements;
  - (ii) a receipt or delivery point change policy;
  - (iii) a metering and measurement policy; and
  - (iv) a balancing policy.
- (3) The pipeline service information for a pipeline comprises a list of the pipeline services available on the pipeline and for each pipeline service:
  - (a) a description of the service and any locational limitations on availability; and
  - (b) the priority ranking of the service in relation to the other pipeline services including when scheduling and in the event of curtailment.
- (4) The service usage information for a pipeline for a month comprises:
  - (a) the total quantity of natural gas metered as having been injected into the pipeline during the month or, where metering data is not available, estimated to have been injected into the pipeline during the month; and
  - (b) subject to subrule (6), for a large distribution pipeline, the following information for each entry and exit point on the large distribution pipeline that is owned, operated or controlled by the service provider or for which the service provider holds the information:
    - (i) daily flow data;
    - (ii) where a meter is installed at the relevant entry or exit point, the hourly flow data;
    - (iii) minimum inlet and minimum outlet pressures over each hour; and
    - (iv) a static table or chart showing the maximum flow rate of the entry or exit point against pressure.
- (5) The service availability information for a large distribution pipeline for a month comprises:
  - (a) an outlook of the firm capacity of the pipeline that the service provider has available for sale or that it will have available for sale for each month in the following 36 month period;
  - (b) information about matters expected to affect the capacity of the pipeline (including any planned expansions of the capacity) for each month in the following 12 month period, including:



- (i) the expected start and end dates of the matters expected to affect the capacity of the pipeline;
  - (ii) a description of the matters expected to affect the capacity of the pipeline; and
  - (iii) the expected capacity of the pipeline during the period it is affected by the matters referred to in paragraphs (i) and (ii);
- (c) information on any other limitations on the availability of the pipeline services identified in the pipeline service information for each month in the following 12 month period;
- (6) The service and access information for a pipeline does not include:
- (a) the information specified in subrule (2)(a) if the nameplate rating for the relevant gate station is provided to AEMO by a BB reporting entity (as defined in Part 18) under rule 168.
  - (b) the information specified in subrule (4)(b) if the relevant entry point is a gate station and daily flow data for that gate station is reported to AEMO by a BB reporting entity (as defined in Part 18) under rule 187.

### **36D Financial information**

- (1) A service provider for a *light regulation pipeline* must prepare and publish on its website financial information about each of its *light regulation pipelines*. The financial information must:
- (a) be in the form and contain the information specified in the financial reporting guidelines; and
  - (b) be certified in the manner provided for in the financial reporting guidelines.
- (2) To avoid doubt, a dispute resolution body is not bound by financial information published under this rule or by any methods, principles or inputs that have been used to calculate financial information published under this rule.

### **36E Weighted average price information**

- (1) Subject to subrule (3), a service provider for a *light regulation pipeline* must prepare and publish on its website weighted average price information for each of its *light regulation pipelines*. The weighted average price information must:
- (a) be determined using a methodology set out in the financial reporting guidelines;
  - (b) be in the form and contain the information specified in the financial reporting guidelines; and
  - (c) be certified in the manner provided for in the financial reporting guidelines.

- (2) The weighted average price information for a *light regulation pipeline* means:
  - (a) the weighted average prices paid by users for pipeline services in a financial year of the service provider of the *light regulation pipeline*; and
  - (b) a description of the methodology used by the service provider to calculate the weighted average prices.
- (3) Subject to subrule (4), a service provider is not required to publish the weighted average price information for a pipeline service for a financial year if:
  - (a) during the relevant period, the pipeline service was provided, directly or indirectly, to no more than 2 users of the *light regulation pipeline*; and
  - (b) the service provider gives a notice to the AER at least 20 business days before the date required for publication that the service provider is not publishing the information for that financial year, specifying the pipeline service to which the notice relates and certifying the pipeline service was provided to no more than 2 users of the *light regulation pipeline* during the relevant period.
- (4) Where a notice is given to the AER under subrule (3), the AER may by notice to the service provider require the service provider to treat two or more pipeline services on the *light regulation pipeline* as if they were the same pipeline service and calculate and publish weighted average price information for the financial year on that basis. A service provider must comply with a notice given to it under this subrule.

### **36F Financial reporting guidelines**

- (1) The AER must publish and maintain financial reporting guidelines under this Division.
- (2) The financial reporting guidelines must:
  - (a) provide for the publication of financial information about each *light regulation pipeline* on a pipeline by pipeline basis and in respect of the financial year of the service provider for the pipeline, which may include:
    - (i) financial statements;
    - (ii) information on the methods, principles and inputs used to calculate:
      - (A) the value of any assets used in the provision of pipeline services;
      - (B) depreciation allowances;
      - (C) the allocation of costs between the different categories of pipeline services provided by the pipeline; and

- (D) the allocation of costs to the pipeline if the service provider operates more than one pipeline; and
    - (iii) financial performance metrics;
  - (b) specify the methods, principles and inputs to be used to calculate weighted average price information and the form this information is to take;
  - (c) specify the level of detail of information required, which must be the level of detail reasonably required to enable a prospective user or users to negotiate on an informed basis with a service provider for the provision of a pipeline service to them by the service provider;
  - (d) specify the basis on which the financial information and weighted average price information is to be provided; and
  - (e) specify the form of any statement and/or any supporting documentation required to demonstrate that the information provided:
    - (i) has been arrived at on a reasonable basis; and
    - (ii) to the best knowledge of the service provider is accurate and complete.
- (3) The AER may from time to time amend the financial reporting guidelines in accordance with the *standard consultative procedure* in rule 8.

**Notes:**

The standard consultative procedure provides for publication of the proposal and consultation on the draft decision before making a final decision.

- (4) Nothing prevents the AER from publishing the financial reporting guidelines in the same document as the financial reporting guidelines published under Part 23.

**37 Service provider must provide information about access negotiations for light regulation services**

- (1) A service provider providing pipeline services by means of a *light regulation pipeline* must report to the AER on access negotiations relating to light regulation services.
- (2) A report under this rule:
  - (a) must be made in a manner and form determined or approved by the AER; and
  - (b) must state the result of the negotiations and include other information required by the AER; and
  - (c) must be made (at least annually) at times specified by the AER.

- (3) The AER may, from time to time, publish an assessment of information reported to it by service providers under this rule.

**Note:**

This rule is classified as a civil penalty provision under the National Gas (South Australian) Regulations. See clause 6 and Schedule 3 of the National Gas (South Australian) Regulations.

### **Division 3            Revocation of light regulation determinations**

#### **38            Application for revocation of light regulation determination (Section 118(2) of the NGL)**

An application for the revocation of a light regulation determination must:

- (a) state the applicant's name and *contact details*; and
- (b) identify the light regulation determination to which the application relates; and
- (c) identify the service provider; and
- (d) identify the covered pipeline; and
- (e) state the applicant's reasons for asserting that light regulation determination should be revoked; and
- (f) include any information and materials on which the applicant relies.

#### **39            NCC's decision on application (Sections 119 and 120 of the NGL)**

- (1) In deciding an application for revocation of a light regulation determination, the NCC must:
  - (a) proceed in accordance with the *standard consultative procedure*; and
  - (b) consult with the AER.
- (2) A *decision* on an application for revocation of a light regulation determination must:
  - (a) be in writing; and
  - (b) identify the light regulation determination; and
  - (c) identify the service provider and the covered pipeline; and
  - (d) describe the pipeline services affected by the *decision*; and
  - (e) state the terms of the *decision* and the reasons for it.